

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

West Elkton Post Office
West Elkton, Ohio

Docket No. A2011-53

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 17, 2011)

On August 23, 2011, the Postal Regulatory Commission (Commission) received three petitions for review of the Postal Service's determination to close the West Elkton post office in West Elkton, Ohio. These petitions were filed by John and Sandra Prater, Richard Bair on behalf of the Gratis Township Trustees, and Jessica Compston (Petitioners). The earliest postmark date is August 13, 2011. On August 24, 2011, the Commission issued a Notice of Filing Under 39 U.S.C. § 404(d), and on August 25, 2011, the Commission issued Order No. 826, its Notice and Order Accepting Appeal and Establishing *Procedural Schedule*, pursuant to 39 U.S.C. § 404(d). On August 29, 2011, the Commission received two additional pieces of correspondence from customers William Bates, and from Fred Specht objecting to the discontinuance. On September 1, 2011, an appeal was received from Jeanine Pierson. In accordance with Order No. 826, the administrative record was filed with the Commission on September 2, 2011. Also on September 2, 2011, three petitions for review were received from Robert Eckhardt, from Richard and Julia Steele, and from Joseph Pierson. On September 15, 2011, two petitions for review were received from W. Bates, Mayor of West Elkton, and from Fred Specht. On September 20, 2011, a Participant Statement

was received from Richard Blair. On September 21, 2011, two Participant Statements were received from Joseph Pierson and from Robert Eckhardt. On September 23, 2011, a Participant Statement was received from Jeanine Pierson. On September 27, 2011, two Participant Statements were received from Jessica Compston and from William E. Bates, Mayor of West Elkton.

The Petitioners contend that: (1) the Postal Service failed to consider the effect of the closing on the community; and (2) the Postal Service failed to consider whether or not it will continue to provide the maximum degree of effective and regular postal services to the community. The Petitioners also question the economic savings and the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the West Elkton Post Office should be affirmed.

Background

The Final Determination To Close the West Elkton Post Office and Extend Rural Route Service, as well as the administrative record, indicate that the West Elkton Post Office provides EAS-11 level service from 8:00 to 12:00 and from 13:00 to 16:30 Monday - Friday, from 8:00 to 12:00 on Saturday, and lobby hours of 24 hours Monday - Saturday to 136 post office box customers, and no delivery customers. Item 47, Final Determination to Close the West Elkton, OH Post Office and Extend Service by Rural Route Service ("FD") at 2; Item 13 Administrative Postmaster/OIC Comments at 1¹ The postmaster position of the West Elkton Post Office became vacant when the postmaster

¹ In these comments, specific items in the administrative record are referred to as "Item ____."

retired on July 5, 2008, and a noncareer PMR/OIC has been installed to operate the office. Item 47, FD, at 2, 8; Item 41, Proposal to Close the West Elkton OH Post Office and Extend Service by Rural Route Service (Revised) ("Proposal - Revised") at 2, 7. Upon implementation of the final determination, the noncareer PMR/OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. Item 47, FD, at 8-9.

The average number of daily retail window transactions at the West Elkton Post Office is twenty-one. Revenue is declining: \$46,879 in FY 2008 (122 revenue units); \$40,453 in FY 2009 (106 revenue units); and \$34,891 in FY 2010 (91 revenue units). The West Elkton Post Office has no meter or permit customers. Item 47, FD at 2; Item 41 Proposal-Revised at 2; Item 15, Post Office Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by rural route service administered by the Middletown Post Office, an EAS-22 level office, which has 156 available Post Office Boxes. Item 41, Proposal-Revised at 2-3; Item 47, FD at 3; Item 18, PS Form 4920 Fact Sheet, at 1. This service will continue upon implementation of the Final Determination. Item 47, FD at 1.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the West Elkton Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal-Revised and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the West Elkton Post Office.

Questionnaires were also available over the counter for retail customers at the West Elkton Post Office. Item 47, FD at 2; Item 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at West Elkton Post Office, at 1. A letter from the Manager of Post Office Operations, Cincinnati, OH was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the West Elkton Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Middletown Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the West Elkton Fire Department for a community meeting on April 11, 2011, to answer questions and provide information to customers. Item 47, FD at 1; Item 21, Letter to Customer, at 1; Item 24, Community Meeting Roster at 1-2; Item 25, Community Meeting Analysis; Item 41, Proposal-Revised, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities.

The Proposal was posted with an invitation for public comment at the West Elkton Post Office, the Somerville Post Office, and the Middletown Post Office from May 6, 2011 to July 7, 2011. Item 47, FD, at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal, at 1; Item 32, Invitation for Comments, at 1; Item 37, Notice of Taking

Proposal and Comments Under Internal Consideration, at 1; Item 36, Round Date Stamped Proposal, at 1; Item 33, Original Proposal, at 1. The Final Determination was posted at the West Elkton Post Office starting on August 12, 2011, as confirmed by the Final Determination cover sheet that appears in the administrative record. Item 47, FD at 1; Item 48, Letter of Instructions Regarding Posting of the West Elkton Post Office Final Determination, at 1; Item 50, Postal Bulletin Post Office Change Announcement.

In light of the postmaster vacancy, a minimal workload, declining office revenue,² the variety of delivery and retail options (including the convenience of rural delivery and retail service), minimal impact upon the community,³ and the expected financial savings,⁴ the Postal Service issued the Final Determination.⁵ Regular and effective postal services will continue to be provided to the West Elkton community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD, at 1.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the West Elkton Post Office on postal services provided to West Elkton customers. The closing is premised upon providing regular and effective postal services to West Elkton customers.

² See note 4 and accompanying text.

³ Item 47, FD, at 2-7; Item 41, Proposal-Revised, at 2-8. 0-12.

⁴ Item 47, FD, at 8; Item 12, Cost Analysis at 2; Item 42, Fact Sheet, at 1; Item 41, Proposal-Revised at 2.

⁵ Item 47, FD.

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the West Elkton Post Office's closing, noting the convenience of the West Elkton Post Office and requesting its retention. These concerns were considered by the Postal Service.

The effect of closing the West Elkton Post Office on the availability of postal services to the West Elkton customers was considered extensively by the Postal Service. Item 47, FD, at 2-7; Item 41, Proposal-Revised, at 2-7. Upon the implementation of the Final Determination, services provided by the Elkton Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will be available at the Middletown Post Office, and will also be available from a mail carrier to roadside mailboxes located close to customer residences. Item 47, FD, at 2-4; Item 41, Proposal-Revised, at 3. In hardship cases, delivery can be made to the home of a customer. Item 47, FD at 3; Item 41, Proposal-Revised, at 3.

Carrier service is beneficial to many senior citizens and to those who may face special challenges because they do not have to travel to the Post Office for service. Item 47, FD, at 2-3; Item 41, Proposal-Revised, at 3. Most transactions do not require meeting the carrier at the mailbox. Item 47, FD, at 4; Item 41, Proposal-Revised, at 4. However, customers who prefer not to leave money in their mailboxes for the purchase of stamps or other services, may instead leave a note instructing the carrier to sound the horn, and then meet with the carrier to make the purchase. Item 47, FD, at 2; Item 41, Proposal-Revised, at 2. Customers may also arrange stamp purchases online at usps.com, or by calling 1-800-STAMP-24. Item 47, FD, at 4; Item 41, Proposal-

Revised, at 4. Customers may also use the toll free number to arrange for package pickup. Item 47, FD, at 5. Packages that fit will be delivered to roadside mailboxes, and to deliver those that do not fit, the carrier will travel up to one-half mile from the mailbox to deliver the packages to a convenient place (such as a porch or carport) that the customer designates. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2.

The Petitioners raised the issue of having mail held during absences, such as vacations. The Postal Service explained that customers may request to have their mail held at the post office, and when the return, may request the post office to resume delivery. Item 47, FD, at 4.

The Petitioners also raise the issue of mail security. This concern was also addressed in the record. The records of the Postal Inspection Service do not indicate any reports of mail theft or vandalism in the area. Item 47, FD, at 5; Item 41, Proposal-Revised, at 5. The Postal Service explained that customers may place a lock on their mailboxes, provided that the mailbox has a slot large enough to accommodate the customer's normal daily mail volume. Item 47, FD at 4; Item 41, Proposal-Revised, at 4. Further, the Mayor of West Elkton has expressed an interest in collection box units. As explained in the record, if a request for CBUs is made, the Postal Service intends to provide CBUs and maintain them. Thus, security can be further enhanced with the option of using CBUs, which offer the security of individually locked mail and parcel compartments.

In addition to carrier service, retail services and post office boxes will be available at the Middletown Post Office, an EAS-22 level office which has 156 available Post

Office Boxes. Item 41, Proposal-Revised at 2-3; Item 47, FD at 3; Item 18, PS Form 4920 Fact Sheet, at 1. Window service hours at the Middletown Post Office are from 8:00 to 16:30 Monday through Friday, and from 8:00 to 11:30 on Saturdays. Item 47, FD, at 2; Item 41 Proposal-Revised at 2. Retail service and post office boxes are also available at the Somerville Post Office, an EAS-16 level office. There are 46 available post office boxes at the Somerville Post Office, and the window service hours are from 8:00 to 16:30 Monday through Friday, and from 8:30 to 12:00 on Saturdays. Item 41, Proposal-Revised, at 2; Item 47, FD, at 3.

Thus, the Postal Service has considered impact of closing the West Elton Post Office upon the provision of postal services to the West Elkton customers, and has properly concluded that the West Elkton customers will continue to receive regular and effective service. Carrier delivery will be made to roadside mailboxes and will also provide retail services, including the sale of stamps, that the customer can arrange online, by phone, or by leaving money or a note in the mailbox. Packages will be delivered to mailboxes, and those that are too large for the mailbox may be delivered to a convenient, customer-selected point up to one-half mile from the mailbox. In addition, retail services and post office boxes will be available at the Middletown and Somerville Post Offices, both of which are nearby. Accordingly, the Postal Service has properly considered the impact of closing the West Elkton Post Office, and has properly concluded that the West Elkton customers will continue to receive regular and effective mail service.

Effect Upon the West Elkton Community

The Postal Service is obligated to consider the effect of its decision to close the West Elkton Post Office upon the West Elkton community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

West Elkton is an unincorporated rural community located in Preple County. The West Elkton Police Department provides police protection, and the West Elkton Fire Department provides fire protection. The community is administered politically by a Mayor. Item 41, Proposal-Revised, at 7; Item 47, FD, at 7. The community is comprised of senior citizens, including retirees, and younger persons, many of whom commute to work in nearby communities. Item 47, FD, at 7; Item 41, Proposal-Revised, at 7. Business and Organizations include: The First Baptist Church, the West Elkton United Methodist Church, Strong Aluminum Foundry, Bud's Garage, Mad Duck Training, BK Construction, and Lovely's Equipment. Item 22, Returned Customer Questionnaires and Postal Service Response Letters, at 5B and 14B; Item 47, FD at 7. The questionnaires completed by the West Elkton customers indicate that, in general, the retirees, senior citizens, and others who reside in West Elkton must travel for other supplies and services. Item 47, FD, at 7; Item 22, Returned Customer Questionnaires and Postal Service Response Letters, at 1B, 2B, 3B, 6B, 8B, 9B, 11B, 13B, 14B, 17B, 18B, 19B, 21B, 22B, 25B, 26B, 27B, 28B, 31B, and 32B.

The Petitioners raise the issue of the effect of the closing of the West Elkton Post Office upon the West Elkton community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 7-8; Item 41, Proposal-Revised, at 7-8. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item 41, Proposal-Revised, at 7; Item 47, FD, at 7. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the West Elkton Post Office name and Zip Code in addresses and in the National Five-Digit Zip Code and Post Office Directory. Item 47, FD at 7; Item 41, Proposal-Revised, at 7. The Petitioners asked about address changes resulting from the discontinuance action. The Postal Service explained that change of address forms can be used so that mail is forwarded in accordance with postal regulations. This measure will allow customers to deplete their supplies of stationery and checks, and to make address revisions when ordering new supplies. Item 47, FD, at 4. Communities generally require regular and effective postal services and these will continue to be provided to the West Elkton community. In addition, the Postal Service has concluded that nonpostal services provided by the West Elkton Post Office can be provided by the Middletown Post Office, and that Government forms normally provided by the West Elkton Post Office will also be available at the Middletown Post Office. Item 47, FD, at 7; Item 41, Proposal-Revised, at 7. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the West Elkton Post Office on the West Elkton community.

Economic Savings

The Postal Service also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the West Elkton Post Office and would still provide regular and effective service. Item 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the West Elkton Post Office are \$42,008.00. Item 47, FD at 8; Item 41, Proposal-Revised, at 9.

The Petitioners question the savings estimate because the noncareer employee currently staffing the West Elkton Post Office is not paid the salary and benefits used in the economic savings calculation. The annual savings estimate is based on a career postmaster position, because if this discontinuance action were not being undertaken, a career postmaster would have eventually been assigned to the currently vacant position. Thus, it was appropriate to use the labor cost savings for a full-time, career employee.

The Petitioners have suggested various strategies that they think might reduce costs at the West Elkton Post Office. These strategies include attempting to negotiate for a lesser rental rate, and closing the Collinsville Post Office instead of the West Elkton Post Office. The Postal Service appreciates these suggestions. However, in this case, the lease costs are far exceeded by the labor costs savings of \$44,279, which is based on a \$33,168 annual salary and benefits of \$11,111. Item 47, FD, at 8. Further, these strategies do not address the declining revenue of the West Elkton Post Office:

\$46,879 in FY 2008; \$40,453 in FY 2009; and \$34,891 in FY 2010. Item 47, FD at 2; Item 41, Proposal-Revised at 2; Item 15 at 1.

Petitioners in this appeal question whether the proposal is motivated by economic reasons. Here, however, a variety of factors inform the decision to discontinue the West Elkton Post Office, including a postmaster vacancy,⁶ minimal workload, declining office revenues,⁷ minimal impact on the community,⁸ and the expected financial savings.⁹ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a post office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." In this case, the Postal Service analyzed, among other factors, the West Elkton Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

⁶ Item 47, FD, at 2, 8; Item 41, Proposal-Revised, at 2,7.

⁷ Item 47, FD at 2.

⁸ Item 47, FD at 7-8.

⁹ Item 47, FD at 7.

Thus, economic factors are one of several factors that the Postal Service considered, and the economic savings have been calculated as required for discontinuance studies in accordance with statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position of the West Elkton Post Office became vacant when the postmaster retired on July 5, 2008, and a noncareer PMR/OIC has been installed to operate the office. Item 47, FD, at 2, 8; Item 41, Proposal-Revised at 2, 7. The petitioners comment on the service provided by the employee and express concern on the impact of the discontinuance on the employee. Upon implementation of the final determination, the noncareer PMR/OIC may be separated from the Postal Service, however, attempts will be made to reassign the employee to a nearby facility. Item 47, FD, at 8-9. The record shows that no other employee would be affected by this closing. Item 47, FD, at 8; Item 41, Proposal-Revised, at 9. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the West Elkton Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the West Elkton Post Office on the provision of postal services and on the West Elkton community, as well as the economic savings that would result from the proposed

closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to West Elkton customers. Item 47, FD, at 7. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the West Elkton Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the West Elkton Post Office be affirmed.

Respectfully submitted,

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